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Pacific Surf Designs, Inc.

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9  
10 **UNITED STATES DISTRICT COURT**  
11 **SOUTHERN DISTRICT OF CALIFORNIA**  
12

13 FLOWRIDER SURF, LTD., a  
14 Canadian corporation; and SURF  
15 WAVES, LTD., a company  
incorporated in the United Kingdom,

16 Plaintiffs,

17 vs.

18 PACIFIC SURF DESIGNS, INC, a  
19 Delaware corporation,

20 Defendant.  
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CASE NO. 3:15-cv-01879-BEN-BLM

**DEFENDANTS SUBMISSION OF  
SUPPORT FOR ACCOUNTING OF  
ATTORNEYS' FEES AND COSTS  
REQUESTED BY THIS COURT'S  
ORDER [DKT. 308]**

The Hon. Roger T. Benitez  
Courtroom 5A

1 It is undisputed that defendant Pacific Surf Designs, Inc. (“PSD”) prevailed in  
 2 this action. After prevailing, upon a proper motion brought by PSD [Dkt. 282], the  
 3 Court found this case exceptional under the fee shifting provision of 35 U.S.C. §  
 4 285 [Dkt. 308].

6 **I. PSD REQUESTS ALL ATTORNEYS’ FEES AND COSTS AS THE**  
 7 **PREVAILING PARTY UNDER THE FEE SHIFTING PROVISION OF**  
 8 **35 U.S.C. § 285.**

9 In accounting for attorneys’ fees and costs, PSD requests the Court award all  
 10 fees and costs for defending this litigation against defendants Flowrider Surf, LTD.  
 11 and Surf Waves LTD.

12 “In determining a reasonable amount of time spent, the Court should only  
 13 award fees based on ‘the number of hours reasonably expended on the litigation’  
 14 and exclude ‘hours that are excessive, redundant, or otherwise unnecessary.’  
 15 [citations omitted].” *Kilopass Tech., Inc. v. Sidense Corp.*, 82 F. Supp. 3d 1154,  
 16 1165 (N.D. Cal. 2015) “The court necessarily has discretion in making this equitable  
 17 judgment. [citations omitted].” *Id.* There are two circumstances which the federal  
 18 court has stated a full award of fees may not be warranted. These situations are: “(1)  
 19 when litigation misconduct is the sole basis for deeming a case ‘exceptional,’ and  
 20 (2) cases where the injured party only partially prevails on the patent claims at  
 21 issue.” *Id.* at 1166. Neither of these limiting scenarios applies. Pursuant to PSD’s  
 22 Renewed Motion for Attorney’s Fees [Dkt. 282]. PSD requested the court award all  
 23 fees and costs because of (1) the weakness of the defendants’ patent infringement  
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positions, and (2) the manner in which defendants litigated this action. This Court found the case was exceptional for both reasons. *Order Granting in Part and Denying In Part Defendant's Renewed Motion for Attorneys' Fees and Costs* [Dkt. 308 at 5:18-6:5]. Therefore, the first limiting scenario does not apply. Second, "the Court entered judgment in favor of Defendant as to the entire action." *Id.* (Emphasis on footnote 3). Thus, the second limiting scenario does not apply because PSD did not partially prevail, but in fact, prevailed in the entire action.

Considering this, PSD seeks an award of all attorneys' fees and costs for the entire action based upon the fee shifting provision 35 U.S.C. §285. There are four components required to fully compensate PSD under §285: (1) the fees and costs incurred by Troutman Sanders in defending this case; (2) the fees incurred by Troutman Sanders in responding to the Court's Order, (3) the fees incurred by Thomas Whitelaw in responding to the Court's Order; and (4) the fees and costs incurred by Kaufman Dolowich in the May 1, 2014 predecessor cases filed by the same defendants, on the same patents, against PSD.

**A. The fees and costs incurred by Troutman Sanders in defending this case.**

Attached hereto as Exhibit A to the Declaration of Charanjit Brahma is a complete accounting of all fees and costs incurred by PSD from Troutman Sanders in defending this suit against Flowrider Surf, Ltd. As shown in Exhibit A, the total amount of attorneys' fees and costs equal \$ 2,466,709. *Id.* As set forth in the Declaration of C. Brahma, an additional \$14,875 is due for cost of the expert, Mr.

1 Pribonic.

2 **B. The fees incurred by Troutman Sanders in responding to the**  
3 **Court's Order.**

4 Attached hereto as Exhibit C to the Declaration of Charanjit Brahma is a  
5 complete accounting of all fees incurred by PSD from Troutman Sanders'  
6 preparation and assistance in responding to the Court's Order. As shown in Exhibit  
7 C, the total amount of attorneys' fees equals \$18,495.

9 **C. The fees and costs incurred by Thomas Whitelaw in responding to**  
10 **the Court's Order.**

11 Attached hereto as Exhibit E to the Declaration of Joseph Thomas is a  
12 complete accounting of all fees incurred by PSD from Thomas Whitelaw in  
13 responding to the Court's Order and other fees since becoming lead counsel in  
14 October 2019. As shown in Exhibit E, the total amount of attorneys' fees and costs  
15 equals \$ 224,355.

17 **D. The fees and costs incurred by Kaufman Dolowich in predecessor**  
18 **cases.**

19 Prior to the instant case, on May 1, 2014 Surf Waves Ltd. filed a case  
20 asserting the '016 patent against PSD, and Flowrider Ltd. filed a separate case  
21 asserting the '589 patent against PSD. These cases were filed by the same law firm  
22 as with this case, and raised the same infringement allegations. PSD engaged the  
23 law firm of Kaufman Dolowich to defend against the infringement accusations in  
24 both cases. These cases were voluntarily dismissed after little more than a month.  
25 As such, these prior cases are simply an extension of the unreasonable litigation  
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conduct the Court found in this case. Accordingly, the fees and costs that PSD incurred in these two prior cases are appropriately awarded in this case. The fees and costs incurred in the Surf Waves case (with regard to the '016 patent) are identified in Exhibit F1, which total \$30,471. The fees and costs incurred in the Flowrider case (with regard to the '589 patent) are identified in Exhibit F2, which total \$4,281.

Below is a summary of all fees and costs that are appropriately awarded for a finding that this case is exceptional under §285.

ACTIVITY	AMOUNT
Troutman Sanders fees and costs to defend this case (Ex. A)	\$2,466,709
Expert costs (Brahma Dec, §A ¶ 4-10)	\$ 14,875
Troutman Sanders fees and costs to respond to the Court Order (Ex. C)	\$ 18,495
Thomas Whitelaw fees and costs (Ex. E)	\$ 224,355
Kaufman Dolowich Fees for prior Surf Waves matter (Ex. F1)	\$ 30,471
Kaufman Dolowich Fees for prior Flowrider matter (Ex F2)	\$ 4,281
<b>TOTAL</b>	<b>\$ 2,759,186</b>

Accordingly, if the Court finds that PSD should be fully compensated for its finding this case exceptional under §285, the Court should award PSD \$ 2,759,186.

1 **II. ALTERNATIVELY, PSD REQUESTS THE COURT ALLOCATE**  
 2 **COSTS IN THE REASONABLE MANNER IN WHICH PSD**  
 3 **OUTLINED IN ITS SUPPORTING DECLARATION.**

4 In the event that the Court finds that PSD is not entitled to all attorneys' fees  
 5 and costs, and instead allocates the award between the '016 patent and the '589  
 6 patent, PSD submits an alternative allocation of attorney's fees.

7 Attached hereto as Exhibit B1 to the Declaration of Charanjit Brahma is an  
 8 accounting of Troutman Sanders attorneys' fees and costs directed to litigation tasks  
 9 with regard to the '016 patent. The total fees allocated to only the '016 patent equals  
 10 \$494,622, plus costs of \$31,140, for a total of \$525,762. (Brahma Decl. at ¶ 14-17).  
 11 PSD submits that these fees and costs should be distributed at a 100% allocation  
 12 based upon the Court's finding this case to be exceptional for litigation conduct  
 13 regarding the '016 patent.  
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15 Attached hereto as Exhibit B2 to the Declaration of Charanjit Brahma is an  
 16 accounting of Troutman Sanders attorney's fees and costs directed to litigation tasks  
 17 for both the '016 patent and the '589 patent prior to June 1, 2017, which was the  
 18 filing date of the later case specific to the '589. (Brahma Decl. at ¶ 18-25). PSD  
 19 submits that a 67% split in favor of awarding fees is proper. *Id.* PSD came to this  
 20 distribution by analyzing documents and litigation activities, as set out in the  
 21 Declaration of C. Braham. *Id.* In making this allocation, PSD determined that these  
 22 mixed tasks including activities and efforts specific to the '016 patent, activities and  
 23 efforts specific to the '589 patent, and activates and efforts that would have been  
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1 incurred whether or not the '589 patent was ever in this case. For example, a claim  
2 construction brief has an expensive legal section that sets out the current law on  
3 claim construction, which would be required even if the '589 patent was not in the  
4 case at all. In this way, a 50-50 allocation is unfair to PSD, as there are significant  
5 activities, efforts, and tasks that are required, even for a one-patent suit. In another  
6 example, discovery has significant aspects that would also be required if the '589  
7 patent were not in the case. After evaluating documents and the case file, PSD  
8 believes an allocation of 33% is appropriate for '589 patent specific activity. In this  
9 way, 67% of the mixed billing is reasonably allocated to the '016 patent.

10 As shown in Exhibit B2, (1) Troutman Sanders LLP attorney fees, (2)  
11 Troutman Sanders eMerge fees, and (3) costs total \$1,628,479. Applying the 67%  
12 allocation results in PSD being owed \$1,091,081.

13 Attached hereto as Exhibit B3 to the Declaration of Charanjit Brahma is an  
14 accounting of Troutman Sanders attorney's fees and costs directed to litigation tasks  
15 for both the '016 patent and the '589 patent after June 1, 2017, which was the filing  
16 date of the case specific to the '589 patent. (Brahma Decl. at ¶ 26-29). PSD submits  
17 that a 67% split in favor of awarding fees is proper. *Id.* For the same reasons set  
18 forth with regard to Exhibit B2, PSD believes an allocation of 33% is appropriate to  
19 the '589 patent such that 67% is reasonably allocated to the '016 patent. However,  
20 no eMerge attorney fees or costs are sought for this time period.

21 As shown in Exhibit B3, Troutman Sanders LLP attorney fees total \$250,905.

1 With a 67% allocation to the '016 patent, PSD is owed \$168,106. In the attached  
2 Declaration of C. Brahma, the expert costs have been reduced to remove activity  
3 directed to the '589 patent. Accordingly, the allocation of expert fees to the '016  
4 patent is \$12,969.

6 **A. The fees incurred by Troutman Sanders in responding to the**  
7 **Court's Order.**

8 Attached hereto as Exhibit C to the Declaration of Charanjit Brahma is a  
9 complete accounting of all fees incurred by PSD from Troutman Sanders'  
10 preparation and assistance in responding to the Court's Order. As shown in Exhibit  
11 C, the total amount of attorneys' fees equals \$18,495.

13 **B. The fees and costs incurred by Thomas Whitelaw in responding to**  
14 **the Court's Order.**

15 Attached hereto as Exhibit E to the Declaration of Joseph Thomas is a  
16 complete accounting of all fees incurred by PSD from Thomas Whitelaw's in  
17 responding to the Court's Order and other fees since becoming lead counsel in  
18 October 2019. As shown in Exhibit E, the total amount of attorneys' fees and costs  
19 equals \$ 224,355.

21 **C. The fees and costs incurred by Kaufman Dolowich in predecessor**  
22 **cases.**

23 Prior to the instant case, on May 1, 2014 Surf Waves Ltd. filed a case  
24 asserting the '016 patent against PSD. This case was filed by the same law firm as  
25 with this case, and raised the same infringement allegations. PSD engaged the law  
26 firm of Kaufman Dolowich to defend against the infringement accusations regarding  
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the '016 patent. This case was voluntarily dismissed after little more than a month. As such, this prior case is simply an extension of the unreasonable litigation conduct the Court found in this case with regard to the '016 patent. Accordingly, the fees and costs that PSD incurred are appropriately awarded in this case. The fees and costs incurred in the Surf Waves case (with regard to the '016 patent) are identified in Exhibit F1, which total \$30,471.

Below is a summary of all fees and costs that are appropriately awarded for a finding that this case is exceptional under §285 where the Court finds it necessary to reduce the award to reflect activity and tasks directed to the '589 patent.

ACTIVITY	AMOUNT
Fees and costs directed only to '016 activities (Ex. B1), allocated at 100%	\$ 525,762
Mixed fees and costs directed to '016 and '589 activities (Ex. B2), before June 2017 and allocated at 67%	\$1,091,081
Mixed fees directed to '016 and '589 activities (Ex. B3), after June 2017 and allocated at 67%	\$ 168,106
Troutman Sanders fees and costs to respond to the Court Order (Ex. C)	\$ 18,495
Expert costs (Brahma Dec, §B), allocated	\$ 12,969
Thomas Whitelaw fees and costs (Ex. E)	\$ 224,355
Kaufman Dolowich Fees for prior Surf	\$ 30,471

Waves matter (Ex. F1)	
<b>TOTAL</b>	<b>\$ 2,040,768</b>

Accordingly, if the Court finds that PSD should be only partially compensated for its finding this case exceptional under §285, the Court should award PSD \$ 2,040,768.

### III. CONCLUSION

The Court has found this case exceptional. To compensate PSD properly for litigating this case and deter future unwarranted litigation, an award of all attorneys' fees and costs is proper and just as set forth in Section I above. Alternatively, PSD should be awarded fees and costs as allocated in Section II above.

Dated: March 30, 2020

Respectfully submitted,

THOMAS WHITE LAW & KOLEGRAFF LLP

By: /s/ Joseph E. Thomas  
JOSEPH E. THOMAS  
Attorneys for Pacific Surf Designs, Inc.

**Certificate of Service**

The undersigned hereby certifies that a true and correct copy of the foregoing document has been served on March 30, 2020, to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system per Civil Local Rule 5.4. Any counsel of record who have not consented to electronic service through the Court's CM/ECF system will be served by electronic mail, first class mail, facsimile and/or overnight delivery.

Dated March 30, 2020

By: /s/ Tierra Mendiola  
Thomas Whitelaw & Kolegraff